



FOR IMMEDIATE RELEASE
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FACT SHEET

SANDERS PROPOSES EXPANDED ROLE FOR COUNCIL IN APPROVAL PROCESS FOR CITY FINANCIAL STATEMENTS

MAYOR ANNOUNCES SELECTION OF CPA JOHN DYER TO MANAGE IMPLEMENTATION OF KROLL REMEDIATION PLAN

Mayor Jerry Sanders has proposed an amendment to the San Diego Municipal Code that would give the City Council a greater role in the review and approval process for the City's Comprehensive Audited Financial Reports (CAFR). The Mayor has also hired accountant John Dyer to help manage the implementation of the 121 point remediation plan prepared in response to the Kroll report.

TRANSPARENCY AND ACCOUNTABILITY AT HEART OF MAYOR'S PROPOSAL

The Mayor has asked the City Attorney to draft language for Council consideration that would amend the Code to allow Council time to both review and approve the City's financial statements. The Municipal Code does not require the City Council to approve the financial statements. It merely says that management will send a copy of it to the City Council once it is "complete."

"I believe that if we are to truly return transparency and accountability to City government, this is an essential step," said Mayor Sanders. "So that Council can have meaningful input into the final document, it is my recommendation that consideration for the CAFR occur prior to the final opinion letter being issued. I also agree with the recommendation made in the Kroll report that the City Council should have at least 2 weeks to review the CAFR before it is docketed for open session," said the Mayor.

The Mayor provided the final draft version of the 2003 fiscal year CAFR to KPMG, the City's outside auditors and the City's own Disclosure Practices Working Group (DPWG) on Friday September 15. Both groups are now reviewing the document and providing feedback to management. KPMG is scheduled to provide the City with its formal opinion letter regarding the report by October 27. Under the Mayor's new plan the City Council would be given the opportunity to review and approve the '03 CAFR at a special meeting of the City Council on October 16. Similar processes would be followed for the FY04 and FY05 audits.

"The Council approval process for the CAFR's will not affect our timeline for reaccessing the public credit markets if the schedule proceeds as I have outlined," said the Mayor. "Because of the critical nature of the capital we seek, I am asking for the Council's cooperation in committing to the timeframes in my proposal."

MAYOR SANDERS PROPOSED REVIEW SCHEDULE:

FY03 CAFR

October 16, 2006	FY03 CAFR reviewed/approved at Special Meeting of the City Council
By October 27, 2006	City receives FY03 opinion letter from KPMG

FY04 CAFR

By October 27, 2006	City issues draft FY04 CAFR
November 13, 2006	FY04 CAFR reviewed/approved at Special Meeting of the City Council
By November 22, 2006	City receives FY04 opinion letter from Macias, Gini & O'Connell
November 27, 2006	FY03 & FY04 CAFR's sent to rating agencies

FY05 CAFR

By January 12, 2007	City issues draft FY05 CAFR
February 5, 2007	FY05 CAFR reviewed/approved at City Council Meeting
By February 16, 2007	City receives FY05 opinion letter from Macias, Gini & O'Connell
February 19, 2007	FY05 CAFR sent to rating agencies
By February 28, 2007	Rating expected

JOHN DYER HIRED TO KEEP KROLL REMEDIATION EFFORT ON TRACK

Mayor Sanders has also announced the hiring of John Dyer, CPA to head the City's efforts to implement each of the recommendations contained in the Kroll report.

Dyer was selected by the Mayor following input and interviews conducted by Jay Goldstone, the City's Chief Financial Officer.

Dyer is the founder and owner of a public accountancy firm focused on risk management and regulatory compliance issues. The firm specializes in government contracting regulatory compliance and Sarbanes-Oxley (SOX) Section 404 requirements.

He also worked for seven years with KPMG Risk Advisory Services rising from a Senior Consultant to a Senior Manager position during his tenure there. He has also worked as a Senior Auditor for the Defense Contract Audit Agency providing negotiation assistance to contracting officers and conducting audits of contracts and internal control systems

Dyer has been an instructor at MiraCosta College and received a Bachelor's of Science degree in Business Administration from Humboldt State University and a Masters of Business Administration degree from San Diego State University.